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Proposed Attorneys for Debtors and Debtors
in Possession, Seaton Investments, LLC,
Colyton Investments, LLC, Broadway
Avenue Investments, LLC, SLA Investments,
LLC, and Negev Investments, LLC

Proposed Attorneys for Alan Gomperts,
Daniel Halevy, Susan Halevy, Debtors and
Debtors in Possession

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION

In re:

SEATON INVESTMENTS, LLC, *et al.*,

Debtors and Debtors In
Possession.

Lead Case No. 2:24-bk-12079-VZ

Jointly Administered with Case Nos.:
2:24-bk-12080-VZ; 2:24-bk-12081-VZ;
2:24-bk-12082-VZ; 2:24-bk-12091-VZ;
2:24-bk-12074-VZ; 2:24-bk-12075-VZ and
2:24-bk-12076-VZ

Chapter 11

**DEBTORS' CHAPTER 11 STATUS
REPORT; DECLARATIONS OF
ALAN GOMPerts, DERRICK
TALERICO, AND ZEV
SHECHTMAN IN SUPPORT
THEREOF**

Hearing:

Date: May 9, 2024
Time: 10:00 a.m.
Courtroom: 1368
255 East Temple St.
Los Angeles, CA 90012

- ☒ Affects All Debtors.
☐ Affects Seaton Investments, LLC
☐ Affects Colyton Investments, LLC
☐ Affects Broadway Avenue Investments, LLC
☐ Affects SLA Investments, LLC
☐ Affects Negev Investments, LLC
☐ Affects Alan Gomperts
☐ Affects Daniel Halevy
☐ Affects Susan Halevy

Seaton Investments, LLC, (“Seaton”), Colyton Investments, LLC (“Colyton”), Broadway Avenue Investments, LLC (“Broadway”), SLA Investments, LLC (“SLA”), and Negev Investments, LLC (“Negev,” and collectively with Seaton, Colyton, Broadway, and SLA, the “Corporate Debtors”), in addition to Susan Halevy, Daniel Halevy, and Alan Gomperts (the “Individual Debtors”) the debtors and debtors-in-possession in the pending jointly administered chapter 11 bankruptcy cases herein (the “Bankruptcy Cases”), hereby submit their Chapter 11 Status Report, and the supporting declarations of Alan Gomperts (“Gomperts Decl.”), Derrick Talerico (“Talerico Decl.”), and Zev Shechtman (“Shechtman Decl.”).

I.

CASE BACKGROUND

Voluntary petitions for relief under chapter 11 of the Bankruptcy Court were filed on March 18, 2024 by the Individual Debtors and on March 19, 2024 by the Corporate Debtors.¹ The Individual and Corporate Debtors continue to operate and manage their affairs as debtors and debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No party has requested the appointment of a trustee or examiner and no committee has been appointed or designated in the Bankruptcy Cases. *See* Gomperts Decl. ¶ 4 and Talerico Decl. ¶ 3.

1. General

The Individual Debtors are family and operate a family business together. Debtor Susan Halevy is mother to debtor Daniel Halevy and three other non-debtor children, including Sharon Gomperts, wife of debtor Alan Gomperts. *See*, Gomperts Decl. ¶ 5.

Susan’s husband, David Halevy (deceased), together with Daniel and Alan, and on occasion non-debtor Simon Harkham, invest in and operate real estate properties, including debtors Seaton, Broadway and SLA. Upon David Halevy’s passing in 2023, his interests, to the extent they were not community property, passed to Susan via the Halevy Trust (defined below). As such, Susan

¹ References to the “Petition Date” herein apply to the petition date of the Individual Debtors or the Corporate Debtors as the case may be.

1 Halevy is now the owner – direct, beneficial, equitable, or otherwise – of all interests in the various
2 Debtors previously owned by David Halevy. *See*, Gomperts Decl. ¶ 6.

3 These Bankruptcy Cases present two real estate investments that require a restructuring to
4 address defaults on their senior loans: (1) the buildings at 440 Seaton Street, Los Angeles, CA,
5 90013 (the “Seaton Building”), and 421 Colyton Street, Los Angeles, CA, 90013 (the “Colyton
6 Building”), which together are operated as an economic unit (the “Seaton/Colyton Buildings”) and
7 are owned by Debtors Seaton and Colyton, respectively; and (2) the building at 737 S. Broadway,
8 Los Angeles, CA, 90014 (the “Broadway Building”), owned by Debtor Broadway. *See*, Gomperts
9 Decl. ¶ 7.

10 The Individual Debtors have each jointly and severally guaranteed (1) certain debt owed to
11 KDM California LLC (“KDM”) on account of KDM’s \$37.1 million in principal amount loaned
12 jointly to Seaton and Colyton and secured by the Seaton/Colyton Buildings, and (2) approximately
13 \$19.1 million of loans made by Archway Capital (“Archway”) on account of the Broadway
14 Building (the “Broadway Loans”). The Individual Debtors’ guaranty liability to Archway is
15 bifurcated into secured and unsecured tranches. Approximately \$15 million of Archway’s
16 Broadway Loans are made directly to Broadway and guaranteed by the Individual Debtors without
17 collateral. Approximately \$4 million of Archway’s Broadway Loans are made pursuant to three
18 loans to related entities or groups and are secured by pledges of various real properties owned by
19 the Individual Debtors, 1040 S. Los Angeles Street, Los Angeles, CA (owned and pledged by SLA),
20 and 12800 Foxdale Drive, Desert Hot Springs, CA (owned and pledged by Negev). *See*, Gomperts
21 Decl. ¶ 8.

22 Prior to the commencement of these cases, Archway initiated an action against the
23 Individual Debtors where it has sought pre-judgment writs of attachment against Daniel Halevy
24 and Alan Gomperts. Archway has also commenced foreclosure proceedings against the properties
25 owned by the Individual Debtors, SLA, and Negev to recover on their guarantees and collateral.
26 KDM has commenced an action against Seaton and Colyton for appointment of a receiver. *See*,
27 Gomperts Decl. ¶ 9.

28 ///

1 **2. Seaton & Colyton**

2 Seaton was formed in March 2010 for the purpose of acquiring, developing, and operating
3 the Seaton Building. Seaton's membership consists of: (1) the Halevy Family Trust dated
4 September 6, 2010 (the "Halevy Trust," Susan Halevy, beneficial owner); (2) the Gomperts and
5 Halevy Family Trust (the "G&H Trust," Alan Gomperts and Sharon Gomperts, beneficial owners
6 of community property); (3) Daniel Halevy; and (4) Simon Harkham. *See*, Gomperts Decl. ¶ 10.

7 Colyton was formed in June 2011 for the purpose of acquiring, developing, and operating
8 the Colyton Building. Colyton is owned 100% by Susan Halevy as the beneficiary of the Halevy
9 Trust. The Seaton/Colyton Buildings are adjacent to each other and together form a jigsaw of
10 structures that are operated by Seaton and Colyton as a single economic unit. They also share
11 overhead costs and are held out to the market as a common opportunity for the lease of commercial
12 space. *See*, Gomperts Decl. ¶ 11.

13 In or about 2018, Seaton's members determined the Seaton Building needed a full structural
14 upgrade in order to compete for top-of-the-market tenants in the burgeoning downtown arts district.
15 Seaton took out a series of construction and bridge loans to finance a full modernization of the
16 Seaton Building. The Seaton Building upgrade and development was a many years undertaking
17 requiring careful and intensive coordination with the City of Los Angeles to preserve historical
18 structures and to benefit from programs designed to reward historical preservation. *See*, Gomperts
19 Decl. ¶ 12.

20 The investment in the Seaton Building attracted a multi-decade letter-of-intent from
21 WeWork to lease an entire structure (100%) of the Seaton Building. Unfortunately, when WeWork
22 experienced financial difficulties in 2019, the WeWork LOI was withdrawn, and Seaton was in the
23 unenviable position of looking for a major anchor tenant to replace WeWork (or multiple smaller
24 tenants) as the country entered the COVID lockdown. Having invested over \$20 million into the
25 Seaton Building, Seaton pushed forward with completion of the Seaton Building upgrades. *See*,
26 Gomperts Decl. ¶ 13.

27 In or about April 2021, Seaton refinanced its outstanding loans with KDM. KDM, Seaton,
28 and Colyton entered into a \$35.1 million loan that consolidated all of their then outstanding loans

1 and that provided additional working capital for Seaton and Colyton (the “KDM First Loan”) to
2 complete the Seaton Building remodel. KDM required the KDM First Loan to be a joint obligation
3 of both Seaton and Colyton, reflecting their operation as a single economic unit. As part of its
4 diligence, KDM obtained a third-party valuation of the Seaton/Colyton Buildings by Bowery that
5 valued the Seaton/Colyton Buildings as a single economic unit and concluded their current
6 combined projected value to be \$64.4 million as of February 17, 2021 (upon completion of
7 upgrades) and \$70.2 million as of August 17, 2021 (stabilized). *See*, Gomperts Decl. ¶ 14.

8 In January 2022, behind on both the completion of their remodel and lease-up due to the
9 impact of the extended COVID shutdown, Seaton and Colyton closed on a supplementary \$2
10 million loan from KDM (the “KDM Second Loan”) for additional capital needed to complete work
11 required for the issuance of a certificate of occupancy by the City of Los Angeles. In connection
12 with the KDM Second Loan, David Halevy (now deceased, and therefore as to Susan Halevy only
13 an in rem obligation against community assets now owned by Susan Halevy via the Halevy Trust),
14 Daniel Halevy, and Alan Gomperts provided personal guarantees to KDM (together, the “KDM
15 Guarantors”). *See*, Gomperts Decl. ¶ 15.

16 Unfortunately, the KDM Second Loan was not sufficient to allow Seaton and Colyton to
17 avoid defaults caused by the COVID pandemic. Because of prolonged COVID-19 related
18 shutdowns and work-at-home orders, and, in particular, the closure of the Los Angeles Department
19 of Building and Safety (the “LADBS”) and the remote work-only status of all of its plan checkers
20 for a protracted period, LADBS building plan approvals were severely slowed and took far longer
21 than anticipated. This, and a stagnant leasing market, led to Seaton’s and Colyton’s defaults on the
22 KDM First Loan and the KDM Second Loan in 2023. *See*, Gomperts Decl. ¶ 16.

23 Seaton did eventually obtain a certificate of occupancy on the remodeled structure in
24 January 2024. As of the Petition Date, 47% of the Seaton/Colyton Buildings are leased and
25 negotiations are in-process for leases on the remaining 53% of the Seaton/Colyton Buildings. After
26 hitting a market low in the fourth quarter of 2023, commercial real estate has experienced a modest
27 recovery and the Debtors expect the market to continue to strengthen over the coming months and
28 years. As of the Petition Date, the outstanding debt owed to KDM totals \$36,240,750 on account

1 of the KDM First Loan and \$2,091,840 on account of the KDM Second Loan. *See*, Gomperts Decl.
2 ¶ 17.

3 **3. Broadway**

4 Broadway was formed in July 2013 for the purpose of acquiring, developing, and operating
5 the Broadway Building. Broadway's membership consists of: (1) the Halevy Trust (Susan Halevy,
6 beneficial owner); The Gomperts Family Trust (Alan Gomperts and Sharon Gomperts, beneficial
7 owners of community property); and (3) Daniel Halevy. *See*, Gomperts Decl. ¶ 18.

8 Broadway acquired the Broadway Building in 2013. The Broadway Building is an eight-
9 story structure. At the time it was acquired by Broadway, only the ground floor was habitable.
10 Broadway understands the seven higher floors had not been occupied since the 1950s. In 2015,
11 Broadway entered into a 15-year lease with The GAP for the ground floor of the Broadway Building
12 and developed a plan to remodel and modernize the entire Broadway Building to make every floor
13 habitable and available to lease to commercial tenants. *See*, Gomperts Decl. ¶ 19.

14 A majority of the intensive remodel and modernization of the Broadway Building took place
15 between 2015 and 2020. The improvements that were performed included the rehabilitation of the
16 façade of the first three floors of the Broadway Building per the guidance of the Cultural Heritage
17 Commission, installation of a fire and life safety system throughout the building, modernization of
18 the elevator, installation of an HVAC system, fire pump and sprinkler system, emergency backup
19 generator and replacement and installation of electric and plumbing systems throughout the
20 building. In March 2020, after first confirming the full term of its lease, The GAP exercised a one-
21 time early termination provision on its lease as the uncertainty of COVID began to take hold. *See*,
22 Gomperts Decl. ¶ 20.

23 With an end to the remodel and modernization in sight, Broadway refinanced its outstanding
24 loans with a single loan from Archway in July 2021, in the original principal amount of \$16,942,500
25 (the "Broadway Loan"). The Broadway Loan was guaranteed by David Halevy, Daniel Halevy,
26 and Alan Gomperts. *See*, Gomperts Decl. ¶ 21.

27 The Broadway Loan matured on August 1, 2022. After commencing an action for breach
28 against its guarantors and filing a notice of default to begin foreclosure on the Broadway Building,

the parties agreed to a restructure (the “Broadway Restructure”) that extended the maturity date of the Broadway Loan to December 1, 2023, affirmed the balance due under the Broadway Loan in the principal amount of \$15,241,093, and called for \$4 million in new loans (the “New Loans”) from Archway to benefit the Broadway Loan and the Broadway Building. The New Loans were made via three loan agreements: (1) to Negev for \$1,300,000 (the “Negev Loan”); (2) to SLA for \$125,000 (the “SLA Loan”); and (3) jointly to David Halevy, the Halevy Trust, Alan Gomperts, the G&H Trust, and Daniel Halevy for \$2,575,000 (the “Guarantor Loan”). The Negev Loan was secured by the real property located at 12800 Foxdale Drive, Desert Hot Springs, California, and was guaranteed by David Halevy, with the guaranty secured by David Halevy’s membership interests in Negev. The SLA Loan was secured by the real property located at 1040 S. Los Angeles Street and was guaranteed by David Halevy, Susan Halevy, Alan Gomperts, and Daniel Halevy, with the guarantees secured by the guarantors’ membership interests in SLA. The Guarantor Loans were secured by the following real property: (1) 3538 Greenfield Avenue, Los Angeles, California (owned by the G&H Trust); (2) 133 S. Palm Drive, Beverly Hills, California (owned by the Halevy Trust); and (3) 8561 Horner Street, Los Angeles, California (owned by Daniel Halevy). The \$4 million of proceeds from the New Loans were distributed exclusively for the benefit of Archway and the Broadway Loan, with \$1,701,407.01 applied to pay down the balance of the Broadway Loan. *See*, Gomperts Decl. ¶ 22.

As of the Petition Date, the outstanding debt owed to Archway is \$15,663,398 on the Broadway Loan, \$1,336,020 on the Negev Loan, \$128,958 on the SLA Loan, and \$2,646,348.96 on the Guarantor Loan. *See*, Gomperts Decl. ¶ 23.

4. Negev Investments, LLC

Negev owns a motel located at 12800 Foxdale Drive, Desert Hot Springs, CA (the “Motel”). The Motel has 26-rooms with five natural spring water pools. It has been operated by Seapiper Inn, Inc. (“Seapiper”) since 2014. Negev is owned by the Halevy Trust. Seapiper is not a debtor in these proceedings. Negev became a borrower of Archway by the Broadway Restructure in 2023 as set forth above. As of the Petition Date, the outstanding balance owed on the Negev Loan is \$1,336,020. *See*, Gomperts Decl. ¶ 24.

5. SLA Investments, LLC

SLA was formed in 2009 for the purpose of acquiring, developing, and operating commercial real property located at 1040 S. Los Angeles Street, Los Angeles, CA (“1040 South”). As of the Petition Date, 13 of 18 spaces are leased. SLA’s membership consists of: (1) the Halevy Trust; (2) the G&H Trust; (3) Daniel Halevy; and (4) Simon Harkham. SLA became a borrower of Archway by the Broadway Restructure in 2023 as set forth above. As of the Petition Date, the outstanding balance owed on the SLA Loan is \$128,958. *See*, Gomperts Decl. ¶ 25.

6. The Individual Guarantors

Susan Halevy (not directly but via her interest in the community property of David Halevy), the Halevy Trust, Alan Gomperts, the G&H Trust, and Daniel Halevy are guarantors of the Archway and KDM debt as follows:

- KDM Second Loan in the amount of \$2,091,841,² jointly and severally: the community assets of David Halevy (deceased), Alan Gomperts, and Daniel Halevy;
- Broadway Loan in the amount of \$15,663,398, jointly and severally: the community assets of David Halevy (deceased), Alan Gomperts, and Daniel Halevy;
- Negev Loan in the amount of \$1,336,020: Susan Halevy (not directly but via her sole ownership of community property);
- SLA Loan in the amount of \$125,958: David Halevy (deceased), Susan Halevy, Alan Gomperts, and Daniel Halevy. *See*, Gomperts Decl. ¶ 26.

Susan Halevy (not directly but via her interest in the community property of David Halevy), the Halevy Trust, Alan Gomperts, the G&H Trust, and Daniel Halevy are also jointly and severally liable on the Guarantor Loan, which has a balance of \$2,646,348.96 as of the Petition Date. *See*, Gomperts Decl. ¶ 27.

The commercial buildings of four of the five corporate debtors (all but Negev) are jointly managed by Daniel Halevy (daily property management through Almighty Builders, Inc.) and Alan Gomperts (financial management). *See*, Gomperts Decl. ¶ 28.

² KDM has indicated the guaranty covers the entirety of its debt.

II.

COMPLIANCE WITH STATUS CONFERENCE ORDER

A. **Estimate for Filing Disclosure Statement and Plan, and Motion to Approve Adequacy of Disclosure Statement**

The Debtors estimate the filing of their Joint Plan and Disclosure Statement, and Motion for Order Determining Adequacy of Disclosure Statement by June 18, 2024

B. **Estimate for Filing Motion to Confirm Plan**

The Debtors estimate the filing of their Motion for Order Confirming Chapter 11 Plan upon approval of their Disclosure Statement.

C. **Objections to Claims**

The Debtors request that the Court set a deadline for filing proofs of claims of June 14, 2024 for non-governmental parties, and September 16, 2024 for governmental units. Until the Debtors can assess the proofs of claim that are filed, the Debtors are not requesting a hearing date on objections to claims.

D. **Debtors' Duties**

The Debtors have performed all of their respective duties as debtors in possession under the Bankruptcy Code. The Debtors' Schedules of Assets and Liabilities and Statement of Financial Affairs were timely filed. The Corporate Debtors filed their first Monthly Operating Reports on April 22, 2024 [Doc. Nos. 41 – 45]. The Individual Debtors were granted an extension to file their first Monthly Operating Reports to April 26, 2024 on account of the observance of religious holidays. The U. S. Trustee Seven Day packages were submitted to the U.S. Trustee's Office, and the U.S. Trustee conducted Initial Debtor Interviews with each of the Debtors. The Section 341(a) meeting for the Corporate Debtors is scheduled for May 3, 2024, commencing at 9:00 a.m. The Section 341(a) meetings for the Individual Debtors are scheduled for May 17, 2024, commencing at 9:00 a.m. *See*, Talerico Decl., ¶¶ 4-7; Shechtman Decl. ¶ 3.

E. **Post-Petition Operations**

i. **General – Efforts to Reorganize**

The Debtors are coming toward the end of the administrative requirements attendant to

1 commencing the chapter 11 cases. Debtors will now turn their efforts toward their joint plan and
2 disclosure statement.

3 **ii. Individual Debtors**

4 The Individual Debtors are proceeding with the ordinary course of their lives, incurring and
5 paying for reasonable ordinary course expenses. Pre-petition, Daniel Halevy relied in significant
6 measure upon income derived from his operation and management of the Corporate Debtors by and
7 through Almighty Builders, Inc. Thus far, Almighty Builders has not received compensation for
8 the work performed post-petition for the Corporate Debtors but the Corporate Debtors intend to file
9 a notice of insider compensation and negotiate with their secured lenders for consent to pay
10 Almighty Builders. Gomperts Decl. ¶ 29.

11 **iii. Seaton/Colyton**

12 Seaton and Colyton have resumed rent collection following the secured creditor's pre-
13 petition exercise of its right to collect rents under the loan documents. Seaton and Colyton continue
14 to look to add new tenants and are working closely with AirSpa in building out their space. Seaton
15 and Colyton have agreed with its secured lender (KDM) for the use of cash collateral for property
16 expenses through April. Seaton and Colyton anticipate they will have a stipulation with KDM for
17 the continued use of cash collateral. Gomperts Decl. ¶ 30.

18 **iv. Broadway**

19 The Broadway building remains unleased, but Broadway is in discussion with multiple
20 parties interested in leasing the entire building. Gomperts Decl. ¶ 31.

21 **v. SLA**

22 SLA is managing its tenants and is in discussions to add additional tenants and is also
23 exploring interest from a business interested in purchasing the SLA property. SLA is hopeful it can
24 negotiate with its secured creditor (Archway) for the use of cash collateral. Gomperts Decl. ¶ 32.

25 **vi. Negev**

26 The motel owned by Negev currently generates income to pay for its expenses. Negev does
27 not anticipate the property will generate sufficient profit to enable Negev to receive distributions in
28 the near term. Gomperts Decl. ¶ 33.

WEINTRAUB ZOLKIN TALERICO & SELTH LLP
11766 WILSHIRE BLVD., SUITE 730
LOS ANGELES, CA 90025

F. Professionals and Fee Budget

The Corporate Debtors filed their application (“WZTS Application”) to employ Weintraub Zolkin Talerico & Selth LLP (“WZTS”) as the Corporate Debtors general bankruptcy counsel and the accompanying Notice of Application [Doc. No. 36] on April 19, 2024 [Doc. No.35]. Service of the Notice of Application (which included a copy of the WZTS Application) was made via U.S. Mail to all creditors of the Corporate Debtors, and to the registered NEF parties in the jointly administered Bankruptcy Cases. The last day for objections to the WZTS Application is May 3, 2024 for NEF parties, and May 6, 2024 for parties served via U.S. Mail. *See* Talerico Decl. ¶ 8.

Attached to the Talerico Decl. as **Exhibit 1** is the WZTS Professional Compensation Reimbursement Budget (“WZTS Budget”). As set forth in the Talerico Decl., a copy of the WZTS Budget was served upon the Corporate Debtors on April 25, 2024. *See* Talerico Decl. ¶ 9.

The Individual Debtors filed their application and notice of application (“Saul Ewing Application”) to employ Saul Ewing LLP (“Saul Ewing”) as the Individual Debtors general bankruptcy counsel on April 5, 2024 [Doc. No. 23]. Service of the notice of the Saul Ewing Application was made via U.S. Mail to all creditors of the Individual Debtors, and to the registered NEF parties in the jointly administered Bankruptcy Cases. The last day for objections to the Saul Ewing Application has passed, and no objections have been filed or received by counsel. *See* Declaration that No Party Requested a Hearing [Doc. No. 46]. Shechtman Decl. ¶ 4

Attached to the Shechtman Decl. as **Exhibit 2** is the Saul Ewing Professional Compensation and Fee Budget (“Saul Budget”). As set forth in the Shechtman Declaration, a copy of the Saul Budget was served upon the Individual Debtors on April 25, 2024. *See* Shechtman Decl. ¶ 5 and Gomperts Decl. ¶ 34.

Dated: April 25, 2024

WEINTRAUB ZOLKIN TALERICO & SELTH LLP

By: /s/ Derrick Talerico

Derrick Talerico

Proposed General Bankruptcy Counsel for Corporate
Chapter 11 Debtors and Debtors in Possession, Seaton
Investments, LLC; Colyton Investments, LLC; Broadway
Avenue Investments, LLC; SLA Investments, LLC; and
Negev Investments, LLC

1
2 Dated: April 25, 2024

SAUL EWING LLP

3
4 By: _____


Zev Shechtman

5 Proposed General Bankruptcy Counsel for Individual
6 Chapter 11 Debtors and Debtors in Possession, Alan
7 Gomperts, Daniel Halevy, and Susan Halevy
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WEINTRAUB ZOLKIN TALERICO & SELTH LLP
11766 WILSHIRE BLVD., SUITE 730
LOS ANGELES, CA 90025

DECLARATION OF ALAN D. GOMPERTS

I, Alan D. Gomperts, hereby declare as follows:

1. I am the managing member of Seaton Investments, LLC, Broadway Avenue Investments, LLC, and SLA Investments, LLC, and the authorized representative of Colyton Investments, LLC and Negev Investments, LLC, the corporate debtors and debtors in possession herein.

2. I make this declaration in support of the *Corporate Debtors Chapter 11 Status Report* (the "Status Report"), to which this declaration is attached. All capitalized terms not specifically defined herein shall have the meanings ascribed to them in the Status Report.

3. I have been intimately involved in the business investment and ventures with my brother-in-law Daniel Halevy, mother-in-law Susan Halevy, and now deceased father-in-law David Halevy for decades, including all of the corporate Debtors implicated by this Motion. As such, I am familiar with the management, operations, finances, and books and records of the corporate Debtors specifically and generally as to Susan Halevy and Daniel Halevy as they relate to the corporate Debtors.

4. On March 18, 2024 (the "Individual Petition Date") and on March 19, 2024 (the "Corporate Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the Court. The Debtors continue to operate and manage their affairs as debtors and debtors-in-possession.

5. The Individual Debtors are family and we operate a family business together. Debtor Susan Halevy is mother to debtor Daniel Halevy and three other non-debtor children, including Sharon Gomperts, my wife.

6. Susan's husband, my father-in-law, David Halevy (deceased), together with Daniel and I, and on occasion non-debtor Simon Harkham, invest in and operate real estate properties, including debtors Seaton, Broadway and SLA. Upon David Halevy's passing in 2023, his interests, to the extent they were not community property, passed to Susan via the Halevy Trust. As such, Susan Halevy is now the owner – direct, beneficial, equitable, or otherwise – of all interests in the various Debtors previously owned by David Halevy.

7. These Bankruptcy Cases present two real estate investments that require a restructuring to address defaults on their senior loans: (1) the buildings at 440 Seaton Street, Los Angeles, CA, 90013 (the “Seaton Building”), and 421 Colyton Street, Los Angeles, CA, 90013 (the “Colyton Building”), which together are operated as an economic unit (the “Seaton/Colyton Buildings”) and are owned by Debtors Seaton and Colyton, respectively; and (2) the building at 737 S. Broadway, Los Angeles, CA, 90014 (the “Broadway Building”), owned by Debtor Broadway.

8. The Individual Debtors have each jointly and severally guaranteed (1) certain debt owed to KDM California LLC (“KDM”) on account of KDM’s \$37.1 million in principal amount loaned jointly to Seaton and Colyton and secured by the Seaton/Colyton Buildings, and (2) approximately \$19.1 million of loans made by Archway Capital (“Archway”) on account of the Broadway Building (the “Broadway Loans”). The Individual Debtors’ guaranty liability to Archway is bifurcated into secured and unsecured tranches. Approximately \$15 million of Archway’s Broadway Loans are made directly to Broadway and guaranteed by the Individual Debtors without collateral. Approximately \$4 million of Archway’s Broadway Loans are made pursuant to three loans to related entities or groups and are secured by pledges of various real properties owned by the Individual Debtors, 1040 S. Los Angeles Street, Los Angeles, CA (owned and pledged by SLA), and 12800 Foxdale Drive, Desert Hot Springs, CA (owned and pledged by Negev).

9. Prior to the commencement of these cases, Archway initiated an action against the Individual Debtors where it has sought pre-judgment writs of attachment against Daniel Halevy and me. Archway has also commenced foreclosure proceedings against the properties owned by the Individual Debtors, SLA, and Negev to recover on their guarantees and collateral. KDM has commenced an action against Seaton and Colyton for appointment of a receiver.

10. Seaton was formed in March 2010 for the purpose of acquiring, developing, and operating the Seaton Building. Seaton’s membership consists of: (1) the Halevy Family Trust dated September 6, 2010 (the “Halevy Trust,” Susan Halevy, beneficial owner); (2) the Gomperts and

1 Halevy Family Trust (the “G&H Trust,” of which my wife Sharon Gomperts and I are beneficial
2 owners of community property); (3) Daniel Halevy; and (4) Simon Harkham.

3 11. Colyton was formed in June 2011 for the purpose of acquiring, developing, and
4 operating the Colyton Building. Colyton is owned 100% by Susan Halevy as the beneficiary of the
5 Halevy Trust. The Seaton/Colyton Buildings are adjacent to each other and together form a jigsaw
6 of structures that are operated by Seaton and Colyton as a single economic unit. They also share
7 overhead costs and are held out to the market as a common opportunity for the lease of commercial
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9 12. In or about 2018, Seaton’s members determined the Seaton Building needed a full
10 structural upgrade in order to compete for top-of-the-market tenants in the burgeoning downtown
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15 13. The investment in the Seaton Building attracted a multi-decade letter-of-intent from
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17 experienced financial difficulties in 2019, the WeWork LOI was withdrawn, and Seaton was in the
18 unenviable position of looking for a major anchor tenant to replace WeWork (or multiple smaller
19 tenants) as the country entered the COVID lockdown. Having invested over \$20 million into the
20 Seaton Building, Seaton pushed forward with completion of the Seaton Building upgrades.

21 14. In or about April 2021, Seaton refinanced its outstanding loans with KDM. KDM,
22 Seaton, and Colyton entered into a \$35.1 million loan that consolidated all of their then outstanding
23 loans and that provided additional working capital for Seaton and Colyton (the “KDM First Loan”)
24 to complete the Seaton Building remodel. KDM required the KDM First Loan to be a joint
25 obligation of both Seaton and Colyton, reflecting their operation as a single economic unit. As part
26 of its diligence, KDM obtained a third-party valuation of the Seaton/Colyton Buildings by Bowery
27 that valued the Seaton/Colyton Buildings as a single economic unit and concluded their current
28

combined projected value to be \$64.4 million as of February 17, 2021 (upon completion of upgrades) and \$70.2 million as of August 17, 2021 (stabilized).

15. In January 2022, behind on both the completion of their remodel and lease-up due to the impact of the extended COVID shutdown, Seaton and Colyton closed on a supplementary \$2 million loan from KDM (the “KDM Second Loan”) for additional capital needed to complete work required for the issuance of a certificate of occupancy by the City of Los Angeles. In connection with the KDM Second Loan David Halevy (now deceased, and therefore as to Susan Halevy only an in rem obligation against community assets now owned by Susan Halevy via the Halevy Trust), Daniel Halevy, and I provided personal guarantees to KDM (together, the “KDM Guarantors”).

16. Unfortunately, the KDM Second Loan was not sufficient to allow Seaton and Colyton to avoid defaults caused by the COVID pandemic. Because of prolonged COVID-19 related shutdowns and work-at-home orders, and, in particular, the closure of the Los Angeles Department of Building and Safety (the “LADBS”) and the remote work-only status of all of its plan checkers for a protracted period, LADBS building plan approvals were severely slowed and took far longer than anticipated. This, and a stagnant leasing market, led to Seaton’s and Colyton’s defaults on the KDM First Loan and the KDM Second Loan in 2023.

17. Seaton did eventually obtain a certificate of occupancy on the remodeled structure in January 2024. As of the Petition Date, 47% of the Seaton/Colyton Buildings are leased and negotiations are in-process for leases on the remaining 53% of the Seaton/Colyton Buildings. After hitting a market low in the fourth quarter of 2023, commercial real estate has experienced a modest recovery and the Debtors expect the market to continue to strengthen over the coming months and years. As of the Petition Date, the outstanding debt owed to KDM totals \$36,240,750 on account of the KDM First Loan and \$2,091,840 on account of the KDM Second Loan.

18. Broadway was formed in July 2013 for the purpose of acquiring, developing, and operating the Broadway Building. Broadway’s membership consists of: (1) the Halevy Trust (Susan Halevy, beneficial owner); The Gomperts Family Trust (of which my wife Sharon Gomperts and I are beneficial owners of community property); and (3) Daniel Halevy.

19. Broadway acquired the Broadway Building in 2013. The Broadway Building is an eight-story structure. At the time it was acquired by Broadway only the ground floor was habitable. Broadway understands the seven higher floors had not been occupied since the 1950s. In 2015, Broadway entered into a 15-year lease with The GAP for the ground floor of the Broadway Building and developed a plan to remodel and modernize the entire Broadway Building to make every floor habitable and available to lease to commercial tenants.

20. A majority of the intensive remodel and modernization of the Broadway Building took place between 2015 and 2020. The improvements that were performed included the rehabilitation of the façade of the first three floors of the Broadway Building per the guidance of the Cultural Heritage Commission, installation of a fire and life safety system throughout the building, modernization of the elevator, installation of an HVAC system, fire pump and sprinkler system, emergency backup generator and replacement and installation of electric and plumbing systems throughout the building. In March 2020, after first confirming the full term of its lease, The GAP exercised a one-time early termination provision on its lease as the uncertainty of COVID began to take hold.

21. With an end to the remodel and modernization in sight, Broadway refinanced its outstanding loans with a single loan from Archway in July 2021, in the original principal amount of \$16,942,500 (the “Broadway Loan”). The Broadway Loan was guaranteed by David Halevy, Daniel Halevy, and me.

22. The Broadway Loan matured on August 1, 2022. After commencing an action for breach against its guarantors and filing a notice of default to begin foreclosure on the Broadway Building, the parties agreed to a restructure (the “Broadway Restructure”) that extended the maturity date of the Broadway Loan to December 1, 2023, affirmed the balance due under the Broadway Loan in the principal amount of \$15,241,093, and called for \$4 million in new loans (the “New Loans”) from Archway to benefit the Broadway Loan and the Broadway Building. The New Loans were made via three loan agreements: (1) to Negev for \$1,300,000 (the “Negev Loan”); (2) to SLA for \$125,000 (the “SLA Loan”); and (3) jointly to David Halevy, the Halevy Trust, the G&H Trust, Daniel Halevy and me for \$2,575,000 (the “Guarantor Loan”). The Negev Loan was

1 secured by the real property located at 12800 Foxdale Drive, Desert Hot Springs, California, and
2 was guaranteed by David Halevy, with the guaranty secured by David Halevy's membership
3 interests in Negev. The SLA Loan was secured by the real property located at 1040 S. Los Angeles
4 Street and was guaranteed by David Halevy, Susan Halevy, Daniel Halevy and me, with the
5 guarantees secured by the guarantors' membership interests in SLA. The Guarantor Loans were
6 secured by the following real property: (1) 3538 Greenfield Avenue, Los Angeles, California
7 (owned by the G&H Trust); (2) 133 S. Palm Drive, Beverly Hills, California (owned by the Halevy
8 Trust); and (3) 8561 Horner Street, Los Angeles, California (owned by Daniel Halevy). The \$4
9 million of proceeds from the New Loans were distributed exclusively for the benefit of Archway
10 and the Broadway Loan, with \$1,701,407.01 applied to pay down the balance of the Broadway
11 Loan.

12 23. As of the Petition Date, the outstanding debt owed to Archway is \$15,663,398 on
13 the Broadway Loan, \$1,336,020 on the Negev Loan, \$128,958 on the SLA Loan, and \$2,646,348.96
14 on the Guarantor Loan.

15 24. Negev owns a motel located at 12800 Foxdale Drive, Desert Hot Springs, CA (the
16 "Motel"). The Motel has 26-rooms with five natural spring water pools. It has been operated by
17 Seapiper Inn, Inc. ("Seapiper") since 2014. Negev is owned by the Halevy Trust. Seapiper is not a
18 debtor in these proceedings. Negev became a borrower of Archway by the Broadway Restructure
19 in 2023 as set forth above. As of the Petition Date, the outstanding balance owed on the Negev
20 Loan is \$1,336,020.

21 25. SLA was formed in 2009 for the purpose of acquiring, developing, and operating
22 commercial real property located at 1040 S. Los Angeles Street, Los Angeles, CA ("1040 South").
23 As of the Petition Date, 13 of 18 spaces are leased. SLA's membership consists of: (1) the Halevy
24 Trust; (2) the G&H Trust; (3) Daniel Halevy; and (4) Simon Harkham. SLA became a borrower of
25 Archway by the Broadway Restructure in 2023 as set forth above. As of the Petition Date, the
26 outstanding balance owed on the SLA Loan is \$128,958.

26. Susan Halevy (not directly but via her interest in the community property of David Halevy), the Halevy Trust, the G&H Trust, Daniel Halevy and I are guarantors of the Archway and KDM debt as follows:

- KDM Second Loan in the amount of \$2,091,841,³ jointly and severally: the community assets of David Halevy (deceased), Daniel Halevy and me;
- Broadway Loan in the amount of \$15,663,398, jointly and severally: the community assets of David Halevy (deceased), Daniel Halevy and me;
- Negev Loan in the amount of \$1,336,020: Susan Halevy (not directly but via her sole ownership of community property);
- SLA Loan in the amount of \$125,958: David Halevy (deceased), Susan Halevy, Daniel Halevy and me.

27. Susan Halevy (not directly but via her interest in the community property of David Halevy), the Halevy Trust, the G&H Trust, Daniel Halevy and I are also jointly and severally liable on the Guarantor Loan, which has a balance of \$ 2,646,348.96 as of the Petition Date.

28. The commercial buildings of four of the five corporate debtors (all but Negev) are jointly managed by Daniel Halevy (daily property management through Almighty Builders, Inc.) and me (financial management).

29. The Individual Debtors are proceeding with the ordinary course of their lives, incurring and paying for reasonable ordinary course expenses. Pre-petition, Daniel Halevy relied in significant measure upon income derived from his operation and management of the Corporate Debtors by and through Almighty Builders, Inc. Thus far, Almighty Builders has not received compensation for the work performed post-petition for the Corporate Debtors but the Corporate Debtors intend to file a notice of insider compensation and negotiate with their secured lenders for consent to pay Almighty Builders.

30. Seaton and Colyton have resumed rent collection following the secured creditor's pre-petition exercise of its right to collect rents under the loan documents. Seaton and Colyton

³ KDM has indicated the guaranty covers the entirety of its debt.

1 continue to look to add new tenants and are working closely with AirSpa in building out their space.
2 Seaton and Colyton have agreed with its secured lender (KDM) for the use of cash collateral for
3 property expenses through April. Seaton and Colyton anticipate they will have a stipulation with
4 KDM for the continued use of cash collateral.

5 31. The Broadway building remains unleased, but Broadway is in discussion with
6 multiple parties interested in leasing the entire building.

7 32. SLA is managing its tenants and is in discussions to add additional tenants and is
8 also exploring interest from a business interested in purchasing the SLA property. SLA is hopeful
9 it can negotiate with its secured creditor (Archway) for the use of cash collateral.

10 33. The motel owned by Negev currently generates income to pay for its operations
11 and expenses. Negev does not anticipate the property will generate sufficient profit to enable
12 Negev to receive distributions in the near term.

13 34. I have received a copy of the WZTS Budget and the Saul Budget, and have reviewed
14 them. I have no objection to the estimated fees and expenses listed in the WZTS Budget and the
15 Saul Budget.

16
17
18 I declare under penalty of perjury under the laws of the United States of America that the
19 foregoing is true and correct.

20
21 Executed on this 25th day of April, 2024, at Los Angeles, California.

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24 
25 ALAN D. GOMPERTS
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28

DECLARATION OF DERRICK TALERICO

I, Derrick Talerico, hereby declare as follows:

1. I am an attorney duly admitted to practice law in the state of California and am admitted inter alia to the United States District Court for the Central District of California, and therefore to practice in the United States Bankruptcy Court for the Central District of California. I have personal knowledge of the facts stated herein and knowledge based on business records of my law practice and of my law firm Weintraub Zolkin Talerico & Selth LLP (the "Firm").

2. I submit this Declaration in support of the *Corporate Debtors Chapter 11 Status Report* (the "Status Report"), to which this declaration is attached. All capitalized terms not specifically defined herein shall have the meanings ascribed to them in the Status Report.

3. Voluntary petitions for relief under chapter 11 of the Bankruptcy Court were filed on March 18, 2024, by Susan Halevy, Daniel Halevy and Alan Gomperts (collectively, the "Individual Debtors") and on March 19, 2024 (the "Corporate Petition Date"), The Individual and Corporate Debtors continue to operate and manage their affairs as debtors and debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No party has requested the appointment of a trustee or examiner and no committee has been appointed or designated in the Bankruptcy Cases.

4. On April 9, 2024, the Corporate Debtors filed their Schedules of Assets and Liabilities and Statement of Financial Affairs in their respective Bankruptcy Cases.

5. The Corporate Debtors first Monthly Operating Reports were filed on April 22, 2024 [Doc. Nos. 41-45].

6. The Seven Day packages were submitted to the U.S. Trustee's Office on March 29, 2024, and I appeared with Mr. Gomperts at the Initial Debtor Interviews on April 9, 2024.

7. The Section 341(a) meeting for the Corporate Debtors is scheduled for May 3, 2024, commencing at 9:00 a.m.

8. The Application to employ WZTS as the Corporate Debtors general bankruptcy counsel (the "WZTS Application") and the accompanying Notice of Application were filed on

1 April 19, 2024. Service of the Notice of Application (which included a copy of the WZTS
2 Application) was made via U.S. Mail to all creditors of the Corporate Debtors, and to the registered
3 NEF parties in the jointly administered Bankruptcy Cases. The last day for objections to the WZTS
4 Application is May 3, 2024 for NEF parties, and May 6, 2024 for parties served via U.S. Mail.

5 9. Pursuant to the Scheduling Order, I have prepared the Budget, which is
6 attached hereto as **Exhibit 1**. The Budget is based upon discussions with Mr. Gomperts, and
7 counsel for the Individual Debtors, and based upon information available to me at this time.
8 It is difficult to predict and quantify the services that may be required in these cases, and there
9 may be unforeseen circumstances that significantly alter the underlying assumptions used to
10 generate the Budget. As such, the Budget is subject to revision at a future date, based upon
11 unforeseen circumstances that generally arise in all chapter 11 cases. A copy of the WZTS
12 Budget is being provided to each of the Corporate Debtors.

13
14 I declare under penalty of perjury under the laws of the United States of America that the
15 foregoing is true and correct.

16 Executed on this 25th day of April, 2024, at Los Angeles, California.

17
18 /s/ Derrick Talerico
19 Derrick Talerico

EXHIBIT 1

WZTS Budget

PROFESSIONAL COMPENSATION REIMBURSEMENT BUDGET

Case Numbers: 2:24-bk-12079-VZ; 2:24-bk-12080-VZ; 2:24-bk-12081-VZ; 2:24-bk-12082-VZ; 2:24-bk-12091-VZ
Case Names: Seaton Investments, LLC; Colyton Investments, LLC; Broadway Avenue Investments, LLC; SLA Investments, LLC; and
Negev Investments, LLC

Date Commenced: March 19, 2024

Applicant Name: Derrick Talerico
Applicant Firm: Weintraub Zolkin Talerico & Selth LLP
Location: Los Angeles, CA 90025
Type of Services: Bankruptcy counsel for the Corporate Debtors for all matters.

Category: B110 - Case Administration

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625	25	25	15	4	4	\$45,625
David B. Zolkin / Partner	\$650						\$0
Martha Araki / Paralegal	\$250	20	20	15	8	8	\$17,750
Sachie Fritz / Practice Assistance	\$175	4	4	4	2	2	\$2,800
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$66,175

PROFESSIONAL COMPENSATION REIMBURSEMENT BUDGET

Category: B111 - US Trustee Requirements

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625	15	15	10	5	5	\$31,250
David B. Zolkin / Partner	\$650						\$0
Martha Araki / Paralegal	\$250	30	30	20	8	5	\$23,250
Sachie Fritz / Practice Assistance	\$175	5	5	5	5	5	\$4,375
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$58,875

Category: B112 - Case Budgeting

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625	1	1	1	0.5	0.5	\$2,500
David B. Zolkin / Partner	\$650						\$0
Martha Araki / Paralegal	\$250						\$0
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$2,500

PROFESSIONAL COMPENSATION REIMBURSEMENT BUDGET

Category: B120 - Asset Analysis & Recovery

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625						\$0
David B. Zolkin / Partner	\$650						\$0
Martha Araki / Paralegal	\$250						\$0
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$0

Category: B125 - Valuation

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625	10	10	10	5	5	\$25,000
David B. Zolkin / Partner	\$650						\$0
Martha Araki / Paralegal	\$250	5	5	5	2	2	\$4,750
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$29,750

PROFESSIONAL COMPENSATION REIMBURSEMENT BUDGET

Category: B130 - Asset Disposition

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625						\$0
David B. Zolkin / Partner	\$650						\$0
Martha Araki / Paralegal	\$250						\$0
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$0

Category: B140 - Relief from Stay / Adequate Protection Proceedings

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625						\$0
David B. Zolkin / Partner	\$650						\$0
Martha Araki / Paralegal	\$250						\$0
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$0

PROFESSIONAL COMPENSATION REIMBURSEMENT BUDGET

Category: B150 - Meetings of and Communications with Creditors

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625	5	5	5	1	1	\$10,625
David B. Zolkin / Partner	\$650						\$0
Martha Araki / Paralegal	\$250						\$0
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$10,625

Category: B160 - Fee/Employment Applications

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625	2	2	2	2	2	\$6,250
David B. Zolkin / Partner	\$650	2	2	2	2	2	\$6,500
Martha Araki / Paralegal	\$250	15	15	15	8	8	\$15,250
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$28,000

PROFESSIONAL COMPENSATION REIMBURSEMENT BUDGET

Category: B161 - Employment/Compensation of Others

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625	3	3	3	1	1	\$6,875
David B. Zolkin / Partner	\$650						\$0
Martha Araki / Paralegal	\$250						\$0
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$6,875

Category: B185 - Leases and Executory Contracts

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625	15	15	20	5	5	\$37,500
David B. Zolkin / Partner	\$650						\$0
Martha Araki / Paralegal	\$250						\$0
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$37,500

PROFESSIONAL COMPENSATION REIMBURSEMENT BUDGET

Category: B190 - Other Contested Matters

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625						\$0
David B. Zolkin / Partner	\$650						\$0
Martha Araki / Paralegal	\$250						\$0
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$0

Category: B200 - Hearings

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625	10	10	10	5	5	\$25,000
David B. Zolkin / Partner	\$650						\$0
Martha Araki / Paralegal	\$250						\$0
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$25,000

PROFESSIONAL COMPENSATION REIMBURSEMENT BUDGET

Category: B210 - Business Operations

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625	10	10	10	2	2	\$21,250
David B. Zolkin / Partner	\$650						\$0
Martha Araki / Paralegal	\$250						\$0
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$21,250

Category: B211 - Utilities

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625						\$0
David B. Zolkin / Partner	\$650	5	5	5	5		\$13,000
Martha Araki / Paralegal	\$250						\$0
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$13,000

PROFESSIONAL COMPENSATION REIMBURSEMENT BUDGET

Category: B230 - Financing / Cash Collateral

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625	15	15	3	10		\$26,875
David B. Zolkin / Partner	\$650						\$0
Martha Araki / Paralegal	\$250						\$0
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$26,875

Category: B231 - Secured Creditor Disputes / Matters

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625	12	12	12	5	5	\$28,750
David B. Zolkin / Partner	\$650	5	5	5	2	2	\$12,350
Martha Araki / Paralegal	\$250						\$0
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$41,100

PROFESSIONAL COMPENSATION REIMBURSEMENT BUDGET

Category: B250 - Real Estate

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625						\$0
David B. Zolkin / Partner	\$650						\$0
Martha Araki / Paralegal	\$250						\$0
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$0

Category: B310 - Claims Administration / Objections

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625	5	5	5	5	5	\$15,625
David B. Zolkin / Partner	\$650						\$0
Martha Araki / Paralegal	\$250						\$0
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$15,625

PROFESSIONAL COMPENSATION REIMBURSEMENT BUDGET

Category: B320 - Plan and Disclosure Statement

Professional Name / Type	Rate	Seaton	Colyton	Broadway	SLA	Negev	Total
Derrick Talerico / Partner	\$625	30	30	30	10	10	\$68,750
David B. Zolkin / Partner	\$650	10	10	10	5	5	\$26,000
Martha Araki / Paralegal	\$250	20	20	20	5	5	\$17,500
Sachie Fritz / Practice Assistance	\$175						\$0
Expenses & Costs:	Copying:						\$0
	Postage:						\$0
Total for Category:							\$112,250

DECLARATION OF ZEV SHECHTMAN

I, Zev Shechtman, hereby declare as follows:

1. I am an attorney duly admitted to practice law in the state of California and am admitted, *inter alia*, to the United States District Court for the Central District of California, and therefore am authorized to practice in the United States Bankruptcy Court for the Central District of California. I have personal knowledge of the facts stated herein and knowledge based on business records of my law practice and of my law firm Saul Ewing LLP (the "Firm").

2. I submit this Declaration in support of the *Chapter 11 Status Report* (the "Status Report"), to which this declaration is attached. All capitalized terms not specifically defined herein shall have the meanings ascribed to them in the Status Report.

3. The Individual Debtors have performed all of their respective duties as debtors in possession under the Bankruptcy Code. The Individual Debtors' Schedules of Assets and Liabilities and Statement of Financial Affairs were timely filed. The Individual Debtors were granted an extension to file their first Monthly Operating Reports to April 26, 2024 on account of the observance of religious holidays. The U. S. Trustee Seven Day packages were submitted to the U.S. Trustee's Office, and the U.S. Trustee conducted Initial Debtor Interviews with each of the Individual Debtors. The Section 341(a) meeting for the Individual Debtors is scheduled for May 17, 2024, commencing at 9:00 a.m.


4. The Application ("Saul Ewing Application") to employ Saul Ewing LLP ("Saul Ewing") as the Individual Debtors' general bankruptcy counsel was filed on April 5, 2024. Service of the notice of the Saul Ewing Application was made via U.S. Mail to all creditors of the Individual Debtors, and to the registered NEF parties in the jointly administered Bankruptcy Cases. The last day for objections to the Saul Ewing Application has passed, and no objections have been filed or received by counsel.

5. Pursuant to the Scheduling Order, I have prepared the Saul Budget, which is attached hereto as **Exhibit 2**. The Saul Budget is based upon discussions with Mr. Gomperts, and counsel for the Corporate Debtors, and based upon information available to me at this time. It is difficult to predict and quantify the services that may be required in these cases, and there

1 may be unforeseen circumstances that significantly alter the underlying assumptions used to
2 generate the Budget. As such, the Budget is subject to revision at a future date, based upon
3 unforeseen circumstances that generally arise in all chapter 11 cases. A copy of the Saul Budget
4 is being provided to each of the Individual Debtors.

5
6 I declare under penalty of perjury under the laws of the United States of America that the
7 foregoing is true and correct.

8 Executed on this 25th day of April, 2024, at Los Angeles, California.

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11 _____
12 Zev Shechtman
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WEINTRAUB ZOLKIN TALERICO & SELTH LLP
11766 WILSHIRE BLVD., SUITE 730
LOS ANGELES, CA 90025

EXHIBIT 2

Saul Budget

Case Numbers: 2:24-bk-12074-VZ; 2:24-bk-12075-VZ; 2:24-bk-12076-VZ
Case Name: Alan Gomperts, Daniel Halevy and Susan Halevy
Date Commenced: 3/25/2024

Applicant Name: Zev Shechtman
Applicant Firm: Saul Ewing LLP
Location: Los Angeles, CA 90067
Type of Services: Bankruptcy counsel for the Individual Debtors for all matters.

Category **B110 - Case Administration**
(inclusive of US Trustee Requirements)

Name and/or Type	Hourly Rate (\$/hr)	Hours	Total
Zev Shechtman Partner	\$725.00	40	\$29,000.00
Carol Chow Counsel	\$640.00	20	\$12,800.00
Turner Falk Associate	\$430.00	80	\$34,400.00
Total for Category			<u>\$76,200.00</u>

Category: **B150 - Meetings of and Communications with Creditors**

Name and/or Type	Hourly Rate (\$/hr)	Hours	Total
Zev Shechtman Partner	\$725.00	10	\$7,250.00
Carol Chow Counsel	\$640.00	5	\$3,200.00
Turner Falk Associate	\$430.00	10	\$4,300.00
Total for Category			<u>\$14,750.00</u>

Category: **B160 - Fee/Employment Applications**

Name and/or Type	Hourly Rate (\$/hr)	Hours	Total
Zev Shechtman Partner	\$725.00	5	\$3,625.00
Carol Chow Counsel	\$640.00	2	\$1,280.00
Turner Falk Associate	\$430.00	25	\$10,750.00
Total for Category			<u>\$15,655.00</u>

Category: B190 - Other Contested Matters

Name and/or Type	Hourly Rate (\$/hr)	Hours	Total
Zev Shechtman Partner	\$725.00	25	\$18,125.00
Carol Chow Counsel	\$640.00	10	\$6,400.00
Turner Falk Associate	\$430.00	40	\$17,200.00
		Total for Category	<u>\$41,725.00</u>

Category: B320 - Plan and Disclosure Statement

Name and/or Type	Hourly Rate (\$/hr)	Hours	Total
Zev Shechtman Partner	\$725.00	20	\$14,500.00
Carol Chow Counsel	\$640.00	10	\$6,400.00
Turner Falk Associate	\$430.00	35	\$15,050.00
		Total for Category	<u>\$35,950.00</u>

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
11766 Wilshire Blvd, Suite 730, Los Angeles, CA 90025

A true and correct copy of the foregoing document entitled (*specify*): **DEBTORS CHAPTER 11 STATUS REPORT; DECLARATIONS OF ALAN GOMPERTS, DERRICK TALERICO AND ZEV SHECHTMAN IN SUPPORT THEREOF** will be served or was served (**a**) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (**b**) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) April 25, 2024, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

See attached NEF Service List

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) April 25, 2024, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

See attached US Mail Service List

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) April 25, 2024, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

The Honorable Vincent Zurzolo (via personal delivery)
United States Bankruptcy Court
255 E Temple St Suite 1360
Los Angeles, CA 90012

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

April 25, 2024
Date

Martha E. Araki
Printed Name

/s/ Martha E. Araki
Signature

Seaton Investments, LLC – Jointly Administered

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

- Attorneys for Corporate Debtors Seaton Investment, LLC, Colyton Investments, LLC, Broadway Avenue Investments, LLC, Negev Investments, LLC, SLA Investments, LCC.: **Derrick Talerico:** dtalerico@wztslaw.com; maraki@wztslaw.com; sfritz@wztslaw.com
- Attorneys for Individual Debtors Alan Gomperts, Daniel Halevy, Susan Haley: **Zev Shechtman, Carol Chow, Turner Falk:** zev.shechtman@salu.com; zshechtman@ecf.inforuptcy.com; carol.chow@saul.com; easter.santamaria@saul.com; turner.falk@saul.com
- Attorneys for Creditor Korth Direct Mortgage, Inc.: **Tanya Behnam:** tbehnam@polsinelli.com, tanyabehnam@gmail.com; ccripe@polsinelli.com; ladocketing@polsinelli.com
- Attorneys for Creditor Archway Real Estate Income Fund I SPE I, LLC: **Michael G. Fletcher, Bruce D. Poltrock, Gerrick Warrington:** mfletcher@frandzel.com; gwarrington@frandzel.com; bpoltrock@frandzel.com; sking@frandzel.com; achase@frandzel.com
- Courtesy NEF/Interested Party: **Todd S Garan:** ch11ecf@aldridgepite.com; TSG@ecf.inforuptcy.com; tgaran@aldridgepite.com
- Attorneys for Creditor Harvest Small Business Finance, LLC: **Jacqueline L James:** jjames@hrhlaw.com
- Courtesy NEF/Interested Party: **Jennifer C Wong:** bknotice@mccartyholthus.com; jwong@ecf.courtdrive.com
- US Trustee's Office: ustpregion16.la.ecf@usdoj.gov; **Kelly L. Morrison:** Kelly.l.morrison@usdoj.gov
-

US Mail Service List:**Joint Debtors (Seaton, Colyton,
Broadway, SLA, Negev, A Gomperts, S
Halevy and D Halevy)****Secured Creditor–Seaton**Balboa Capital Corporation
575 Anton Boulevard 12h Floor
Costa Mesa Ca 92626-7685**Secured Creditor–Sea/Col/Bro/SLA**Los Angeles County Treasurer/Tax Coll
Attn Bankruptcy Unit
PO Box 54110
Los Angeles Ca 90054-0110**Secured Creditor–Sea/Col/Indivs**Korth Direct Mortgage Inc
135 San Lorenzo Ave Ste 600
Miami, FL 33146-1875**Korth Direct Mortgage Inc.**c/o Polsinelli LLP
2049 Century Park East Suite 2900
Los Angeles, CA 90067-3221**Secured Creditor–Bro/SLA/Neg/Indivs**Archway Real Estate Income
Fund I SPE I LLC
10100 Santa Monica Blvd Ste 500
Los Angeles, CA 90067-4121**Archway Real Estate Income Fund I SPE I**Frاندzel - c/o Michael Fletcher Esq
1000 Wilshire Blvd 19th Fl
Los Angeles, CA 90017**Archway Real Estate Income Fund I SPE**Joshua Mogin Esq
Thompson Coburn LLP
10100 Santa Monica Blvd Ste 500
Los Angeles, CA 90067-4121**Secured Creditor–SLA**Harvest Small Business Finance (SBA)
24422 Avenida de la Carlota Ste 400
Laguna Hills, CA 92653-3634**Secured Creditor–Negev**Riverside County Tax Collector
4080 Lemon St 4th Floor
Riverside, CA 92501**Secured Creditor–S Halevy**First Foundation Bank
18101 Von Karman Ave Ste 750
Irvine, CA 92612**Secured Creditor–S Halevy**Shellpoint Mortgage Servicing
c/o CSC-Lawyers Incorp Service
2710 Gateway Oaks Dr Ste 150N
Sacramento, CA 95833**Secured Creditor–D Halevy**Athas Capital Group Inc
3990 Westerly Pl Ste 240
Newport Beach, CA 92660**Secured Creditor–A Gomperts**Wells Fargo Bank
c/o CSC-Lawyers Incorp Service
2710 Gateway Oaks Dr Ste 150N
Sacramento, CA 95833**20 Largest–Seaton/Colyton**Alta Fire Pro
PO Box 7007
Mission Hills, CA 91346-7007**20 Largest–Seaton/Colyton/Broadway**California Refrigeration & Supply
1926 Glendon Ave Apt 4
Los Angeles, CA 90025-4661**20 Largest–Seaton**Deborah Feldman Esq
12466 Marsh Pointe Rd
Sarasota, FL 34238-2115**20 Largest–Seaton**Deborah Feldman Esq
24611 Mulholland Hwy
Calabasas, CA 91302-2325**20 Largest–Seaton**Mark Berkowitz CPA
5850 Canoga Ave Suite 220
Woodland Hills, CA 91367-6505**20 Largest–Seaton**RG Fire Inc
8721 Laurel Canyon Blvd
Sun Valley, CA 91352-2919**20 Largest–Seaton**Simply Electrical
14101 S Budlong Ave
Gardena, CA 90247-2231**20 Largest–Seaton**Urban Lime
915 Mateo St
Los Angeles, CA 90021-1784**20 Largest–Broadway**Capital One
PO Box 30285
Salt Lake City, UT**20 Largest–Broadway**Mordechai Miky Acoca
1926 Glendon Ave #4
Los Angeles, CA 90025-4661**20 Largest–SLA**Los Angeles Dept of Water and Power
PO Box 30808
Los Angeles, CA 90030-0808**20 Largest–Daniel Halevy**American Express
PO Box 981535
El Paso, TX 79998-1535**United States Trustee (LA)**915 Wilshire Blvd, Suite 1850
Los Angeles, CA 90017-3560**Notice**US Small Business Administration
409 3rd St SW
Washington, DC 20416-0005**Notice**US Small Business Administration
14925 Kingsport Rd
Fort Worth, TX 76155-2243**Notice**U S Small Business Administration
312 N Spring St 5th Floor
Los Angeles Ca 90012-2678